



## What is Credentialing and Why Does it Save Money?

*By Susan Saldibar*

Can vendor credentialing save your community money? Yes, it can, and in ways you might not realize.

Vendor credentialing is a process with results that reach deeper than its description might imply. I found this out recently in a chat with Tracy Castleman, Senior Director of Operations and Risk Management for Vendor Credentialing for [RealPage](#) (a Senior Housing Forum partner). Tracy hit on a few points that, to me, were compelling enough to warrant a second look at the process and how it can do more than mitigate risk for senior living communities. Here, in a nutshell, is what Tracy told me.

- **Organize to economize.** Tracy tells me that she often sees lack of coordination in organizations with multiple properties, such as senior living communities. Take plumbers, as an example. Managers of each property may use multiple plumbers, depending on who is available and the urgency of the need. “If you have four communities across the Dallas region, you don’t want to be servicing them with fifteen different plumbers,” says Tracy. “Using available technology and software, you can organize all your credentialed vendors in a way that allows you to have your ‘one on board’ and your ‘backup’, ready to go,” she adds. The bottom line is that, by organizing suppliers across a geographical area, you can settle on a few good suppliers, who you know are credentialed and possibly negotiate better pricing. Tie this in with electronic invoicing and you have hit spend management gold.

- **Apples to apples price comparisons.** Often a community, seeking to reduce overhead, will revisit their vendor list and price compare. But are the comparisons valid? Not unless they are all credentialed, Tracy tells me. So, when you are comparing vendor a and vendor b, you want to make sure you are comparing apples to apples. “Sometimes you can get a great deal from vendor b, because vendor b doesn’t have the overhead of appropriate insurance. So that’s why it’s important to make sure that the vendor credentialing piece goes hand in hand with your spend management solution,” says Tracy.
- **Reduce unnecessary risk and added expense.** This is where RealPage’s recently released Credential Key program can really save time and money. As Tracy explains, “Let’s say you have a plumbing emergency and your usual vendors are not available. So you start Googling to find someone and worry about credentialing after the fact. The reality is that, should something happen because of that work, chances are you may not have the coverage you need. With our program, you have access to a network of vendors ‘at the ready’ that understand your unique needs. Finding a credentialed plumber that can be onboarded 24/7 is now a reality. The sooner you can get the vendor on board at the community to address the emergency, the better position you are in to reduce the amount of damage to the property,” she adds.
- **Integration.** Enable your team to work smart. Tracy shared how valuable an A/P integration can be when coupled with your vendor credentialing process. “We often see outdated vendor information when working with clients. Specifically, vendor contact information is not updated, revisions to a vendor’s W9 haven’t been recorded or worse, the insurance is expired or has been cancelled,” she explains. “When property managers continue to use these vendors, just because they are active and look ‘good to go’ in the A/P system, it represents an exposure to the property,” she added. RealPage reduces that exposure through its tight integration with your A/P system, which is key to keeping accurate records and leaving nothing to slip through the cracks. The solution not only lets you create new vendors, but automatically updates existing vendors. What I like about this is that you always know that you are using vendors who are “optimized” in terms of record accuracy, credentials and price. And it’s basically been done for you, so you’re also saving staff time. That makes a lot of sense.

This should make us all think twice. Most of us think of using credentialed vendors as helping to mitigate risk. And no one would argue that’s an important goal in and of itself. But as a spend solution? Using tools to develop a bench of suppliers who are all properly credentialed makes a lot of sense. And, given the above, it isn’t hard to see how it can save a community considerable time and money.

Whether or not you are using a credentialing program, you might want to take a second look at the process you use to vet, select, secure and organize your vendors. New tools such as RealPage’s Credential Key make the process possible using a fraction of the effort it used to require.



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